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Committees
Economic Development, Small
Business and Regulatory Reform VC
Families and Human Services VC
Government Operations
Health Policy

The Jacobs Report

FOR IMMEDIATE RELEASE
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GRANHOLM, LEGISLATURE REACH BUDGET AGREEMENT

Governor Jennifer Granholm and Michigan's Republican controlled Legislature forged a budget deal Thursday night, effectively erasing a \$920 state budget hole. A holiday package of compromises, the balanced budget included a six-month delay of the 2004 income tax cut originally slated for January.

In addition to praising the six-month delay as good common sense, Granholm and Democrats emerged from the deal touting it as one that protects funding for schools, health care, as well as the fragile (some would say "eroding") safety net that buttresses the population's less fortunate. "This was a good compromise and very good for [Michigan's] citizens," said Governor Granholm. "I'm very pleased."

Republicans also came away happy, pointing to lower business taxes and additional governmental cuts resulting from the negotiations.

Initially, the tax freeze proved to be the main obstacle to an agreement. It sailed through the Senate without debate, but stalled in the House on Tuesday. Maverick GOP members, upset that the governor had bypassed their input by cutting a deal with Senate Majority Leader Ken Sikkema (R-Wyoming), refused to put up the votes. But when all was said and done, seventeen House Republicans joined all 47 House Democrats to pass the legislation on Thursday.

PAYDAY LOAN FEES ADD UP TO A VETO

By a 25-12 margin, the Senate approved legislation on Thursday that would allow payday lending as an established, regulated business in Michigan.

Although a handful of Democrats voted for the bill [Sen. Bruce Patterson (R-Canton) was the only Republican opposed], the bill was chastised by a majority of the caucus and Gov. Jennifer Granholm said immediately after passage that she would veto the measure when it arrives on her desk.

Under the newest substitute version of SB 474, sponsored by Sen. Valde Garcia (R-Howell), a payday lender would be allowed by law to charge customers up to 13.25 percent off the face amount of their payroll check, an amount that translates to an actual 15.27 percent fee and an APR of 397 percent.

"Is this really what we want happening to the people in our districts who need to borrow money?" asked Senator Gilda Z. Jacobs (D-Huntington Woods). "This is a very, very high interest rate, especially during the holiday season. We can't afford to put this on people."

Granholm agreed that the interest rate is too high and said she will veto the measure if it stays as it is. An

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interest rate of 10 percent with a \$5 fee or a 12 percent flat rate is as high as Jacobs and Granholm are willing to go.

When told of the governor's intention, Senate Majority Leader Sikkema explained that 13.25 percent was the lowest his caucus was willing to go and if the governor vetoed SB 474, then so be it.

HELP OUT THE BLOOD SHORTAGE THIS HOLIDAY SEASON

This holiday season, remember that the best gift to give is the gift of life. Donating blood is quick and painless—and the American Red Cross reports that your gift is especially needed this time of year. You can help with the shortage of blood products by making an appointment with the American Red Cross to donate blood. Please call 1-800-GIVE LIFE. Your gift can make a huge difference in ways that you'll never know. By donating blood from December to January, eligible blood donors can help save lives.

Blood donations typically drop 10-15 percent between Thanksgiving and New Year's Eve. "Because we typically don't have blood drives on the major holidays, we stand to lose several days worth of collections," explained Sen. Gilda Z. Jacobs. "A strong blood supply is also critical to our ability to respond to national emergencies. Your donation will make a difference."

Slow collections surrounding the holidays may further threaten an already fragile blood supply. Since May, blood supply levels in Michigan and across the nation have teetered at emergency levels.

Blood donors must be at least seventeen years of age, be in good general health, and weigh at least 110 pounds. Please call 1-800-GIVE LIFE for more information.

Happy Holidays from Senator Jacobs and her staff.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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